



DEC 19 2005

The Honorable Mike Huckabee
Governor of Arkansas
State Capitol
Room 250
Little Rock, Arkansas 72201

Dear Governor Huckabee:

We are pleased to be able to respond positively to your request for waivers to help you address the workforce and employer needs created by Hurricane Katrina. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. The request is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's submission (copy enclosed).

Requested Waiver 1: Waiver of the language that limits the authority to provide the activities identified in WIA section 134 to the state.

Arkansas currently has an approved waiver that permits local areas to request the use of up to 10 percent of local area formula allocation funds to provide statewide employment and training activities. The state is now seeking even more flexibility in the use of local funds. Accordingly, we are granting a waiver of the language that limits the authority to provide the activities identified in WIA section 134 to the state. This will permit local areas to request the use of up to 100 percent of local area formula allocation funds to provide statewide activities to hurricane-affected individuals. Under the waiver, local areas granted this flexibility by the Governor must continue to conduct the required local employment and training activities at WIA section 134(d). In addition, the state must continue to meet the performance and reporting requirements applicable to local area funds.

Requested Waiver 2: Waiver of the required 50 percent employer match for customized training.

The state is granted a waiver of the required 50 percent employer match for customized training at WIA section 101(8)(C). This waiver permits local areas to offer a sliding scale match based on criteria developed by the state for those employers that train hurricane-affected individuals.

Requested Waiver 3: Waiver of WIA section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The state indicates that this waiver will increase the number of participating employers and the number of on-the-job training opportunities for hurricane-affected individuals. This request is still under review. We will respond to it under separate cover.

Requested Waiver 4: Waiver of performance provisions at WIA sections 136(b) and (c).

The state seeks to exclude from the state and local area performance measures individuals who receive WIA services in Arkansas as a result of being forced from their local area or state due to the hurricane. The state indicates that such a waiver will remove any disincentive to providing the full range of available WIA services to these individuals. ETA firmly believes that all participants, including hurricane-affected individuals, should be provided the full range of available WIA services. Outcomes for these individuals should be included in the state's performance measures, in accordance with WIA sections 136(b) and (c).

We are approving a waiver to permit the state to exclude individuals affected by the hurricane from the calculation of state and local performance measures identified at WIA sections 136(b) and (c) should they be unable to complete the planned WIA activities because they return to their home or move to a new location prior to program completion. However, the state must include these displaced participants in its annual WIASRD submissions, using a special notation of their status in the global exclusion field. At this time, we are not granting a waiver of all reporting and recordkeeping requirements for individuals impacted by the hurricane.

We understand that the impact of this event on the workforce investment system in your state may not yet be fully felt and that the state may identify additional barriers in the near future, for which waivers may be sought. ETA is open to reviewing with the state Department of Labor policies and definitions for certain performance measures that may be adversely impacted as a result of the hurricane. We recognize that future performance may also be impacted, and we will work with the state to address those impacts as appropriate.

Requested Waiver 5: Waiver of the requirement that local programs provide each of the ten youth program elements at WIA section 129(c)(2) as options available to youth participants.

We are granting this waiver to provide flexibility in services to hurricane-affected youth. Such a waiver will allow affected local areas to focus on the youth services most needed.

Requested Waiver 6: Waiver to permit the use of Individual Training Accounts (ITAs) for youth participants.

We note that Arkansas currently has an approved waiver to permit the use of ITAs for older and out-of-school youth through June 30, 2007. Hurricane-affected youth may be served under this waiver.

Requested Waiver 7: Waiver of 20 CFR 664.450(b) under WIA section 129(c)(2)(I) that requires all youth participants to receive some form of follow-up services for a minimum duration of 12 months.

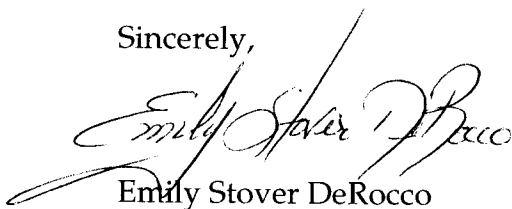
The state indicates that many youth participants displaced by the hurricane may receive services in temporary locations and return to their homes or move to new locations. Accordingly, we are granting a waiver of 20 CFR 664.450(b). This waiver applies only in cases where the 12-month requirement for follow-up services cannot be met due to the movement of hurricane-affected youth out of a local area.

Requested Waiver 8: Waiver of the requirement at WIA section 123 that eligible providers of youth activities be identified on a competitive basis.

We are granting a waiver of the WIA section 123 requirement to competitively select providers of the ten youth program elements to be applied in local areas that have experienced a large influx of hurricane-affected individuals. The state may also want to consider the available flexibility to use mechanisms other than Individual Training Accounts to provide training services, described at 20 CFR 663.430.

The granted waivers are approved through June 30, 2007. The precise programmatic and performance outcomes for the granted waivers will be negotiated with the ETA Regional Office within the next three months. The granted waivers are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and constitute a modification of the state's approved two-year strategic plan. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's approved two-year strategic plan, as appropriate. We are prepared to entertain other waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emily Stover DeRocco", is written over a horizontal line.

Emily Stover DeRocco

Enclosure